

# **Governor's State Workforce Investment Board Incumbent and New Worker Training Committee**

**Red Lion Colonial Inn Hotel  
Helena, Montana  
January 21, 2009**

## **DRAFT MINUTES**

**BOARD MEMBERS PRESENT:** Dave Crum, Chair; Michael DesRosier; Keith Kelly; and Alan Skari.

**BOARD MEMBERS ABSENT:** Jacquie Helt, Vice Chair; Elsie Arntzen; Marty Copps; Tony Preite; Karen Sullivan; and Jeff Tochihara.

**STAFF:** Leisa Smith, Dan Berhardt, and Danielle Nettleton.

**GUESTS:** Mary Berg, Suzanne Ferguson, Nancy Guccione, Linda Moodry, Gary Warren, Chris Wilhelm, Gary Wright, and Lindsey Woolsey.

### **I. Welcome and Introduction**

Chairman Dave Crum called the meeting to order at 9:06 a.m. He welcomed committee members and guests. Chair Crum provided a brief review of the strategic planning discussion on September 25, 2008. The discussion was facilitated by Lindsay Woolsey, Senior Policy Associate, Corporation for a Skilled Workforce. Chair Crum stated the committee needs to develop ideas to maximize funding for the Incumbent Worker Training Program if approved by the legislator. The program needs to be effective in keeping businesses running and their employees working by utilizing public and private dollars.

#### ▪ Roll call, Housekeeping, and Meeting Documents

Danielle Nettleton conducted roll call, addressed house keeping items, and reviewed meeting materials. Chair Crum explained the committee conducts business under Roberts Rules of Order. He stated he would relax Roberts Rules of Order to encourage active and open discussion. He reminded members of the public to state their name clearly for the accuracy of the minutes.

#### ▪ Agenda

Chair Crum reviewed the Agenda; it was accepted as presented by consensus.

### **II. Updates**

#### ▪ Incumbent Worker Training Program

Chris Wilhelm, Program Manager, Job Services Operations Bureau, provided a brief overview of the current Incumbent Worker Training Program Pilot Project approved by the 2007 Legislature and administered by the Department of Labor and Industry.

- The Pilot Program was located in Region Four (Billings.)
- \$250,000 in funding, per biennium was provided to train incumbent workers (individuals who are considered a current employee) for small businesses with 20 or fewer employees.
- The program could cover training costs up to \$2000 per worker.
- Employers are required to match 20% of training costs and anything above the \$2,000 training limit.

- Initial interviews were conducted by Business Expansion and Retention (BEAR) team.
- If the business indicates a need for Incumbent Worker Training, the team will assist the business in submitting an application.
- Eligible training programs must provide a certificate, degree, or equal credential.

After the first program year, a survey was completed by meeting face to face with participating employers. 67 businesses and 159 workers participated in the first year. Good responses were received by the employers. They saw increased trust in the community and in the reputation of the business. In the first year, 94% of funding was spent on participants. The average cost of training per worker was \$765. Training could be provided by many different options including: Colleges of Technology, short term computer classes, and national training for specialized certification. One program performance measure was an increase in the employee's wage. Data is being collected from the Unemployment Insurance Database. Businesses are not required to give the employee a raise but after analyzing the initial data the program is seeing some increase in wages. Of the 159 participants at least 90% are still employed in Montana. The program analyzes data continuously, creating number differences each time information is presented. All participants are paid during their training hours; this cost to the business can qualify towards the 20% employer match. No individual industry was targeted for training; any profession qualified. The program developed stronger partnerships in the region.

Ms. Woolsey asked if employers in the region were seeking similar training, could a training program be put together in a wholesale approach. Participants could learn from each other and training could be put together to save the program money. Ms. Wilhelm agreed with the idea and stated the possibility was there. Gary Warren, Job Service Operations Bureau Chief reported the program caused the Region Four team to expand into Region Five and assist them with developing a local BEAR Team and creating partnerships across the state.

#### ▪ New Worker Training Program

Nancy Guccione, WIRED/Workforce Training Grant Section Manager, Department of Commerce provided an overview of the New Worker Training Program. The program began out of the governor's office in 2005 and was moved to Commerce in 2007. Program decisions are made by a seven member committee comprised of five members appointed by the Governor and two members appointed from house and senate. The program assists businesses in training funds for a newly created position, up to \$5000. To qualify, 50% of sales must be outside of Montana. The business is required to provide match money. The company can hire a worker at a lower wage until the training is completed. Once training is complete, the employer is required to pay the employee \$15.50 an hour and or wage plus benefits package. The company is required to pay the training costs and submit for reimbursement. Last years program funding was \$3.9 million, with budget cuts, Commerce is hoping for \$1.9 million after the 2009 Legislative Session. The two different programs, Incumbent and New Worker Training work together in assisting businesses. Ms. Guccione provided an example of a business that used Incumbent Worker Training funds to advance workers and provided an opportunity to create new position, qualifying for the New Worker Training program. Most communication between the two programs comes from the BEAR Team, creating referrals for the different needs of businesses. Unlike the Incumbent Worker Program, the New Worker Program is statewide. Companies who have 100 positions and create a new position are required to have 101 positions total to qualify for reimbursement when training is completed.

Ms. Woolsey complimented the program's success, and highlighted Regional Collaboration Grants of \$5,000-\$10,000 designed to help create a seamless approach and establish an easier and faster referral process.

#### ▪ Legislative Updates

Keith Kelly reported the Department of Labor and Industry submitted a budget request to the 2009 Legislature for statewide implementation of the Incumbent Worker Program. The Legislature will be

holding a hearing for the request on Monday, January 26, 2009. Chair Crum asked what the committee and boards role would be if the program was approved. Mr. Kelly informed the committee they would not oversee the money but participate in an advisory role to the program operators.

### **III. Goals, Visions, Impacts, and Timelines**

Chair Crum reminded the committee, legislation has to approve the Incumbent Worker Training Program. Discussion occurred among committee members, developing the following goals:

- The committee needs to strive to ensure there is collaboration and leverage of funds between public and private sector to keep individuals employed.
- Develop a one-page map to outline the pipeline for training and how each program feeds into it, including the benefits the Economic Stimulus package could provide.
- Schedule a committee meeting in Region Four with a panel comprised of Employers and Employees who participated in the Incumbent and New Worker Training Programs, the local BEAR Team, Regional Development Officer from Commerce, and Regional representatives from the Job Service Operations Bureau.

Ms. Woolsey reminded the committee, the programs were a priority area for the State Workforce Investment Board (SWIB) because what is currently being done is working. Discussion among the committee should include program successes, the development of regional partnerships, funding, and the expansion of the programs. During the strategic planning session, the SWIB indicated the need for promoting the programs, advancing workers through the pipeline, and getting the best bang for the buck.

Gary Wright, Statewide Oversight Bureau Chief informed the committee of Waiver possibilities. The Economic Stimulus Package could bring more funding for workforce programs. The United State Department of Labor (USDOL) encourages states to utilize Waivers as a possibility for expanding projects. He provided an example of increased funding in a WIA program; the SWIB could approve a Waiver to allocate a portion of the funds to another program or project. The Waiver would be submitted to USDOL for their approval. There are many possibilities to help prevent layoffs. The board could also determine specific high growth high demand occupations to target training dollars. Individuals currently may request assistance to train in any field, program operators currently do not have guidelines that would help advice and target funds toward high demand career opportunities. If the SWIB wanted to target specific occupations the One-Stops could provide a 'Menu of Services.'

### **IV. Goals, Visions, Impacts, and Timelines**

Discussion occurred regarding the next meeting being held in Billings. The committee decided not to set a date. Mr. Warren will attempt to align the committee meeting with their next BEAR Team meeting.

With no further discussion Chair Crum adjourned the meeting at 10:53 a.m.